

APPENDIX 3

SIGNIFICANT FY 2000 AUDITS AND EVALUATIONS

1. **The National Evaluation of the WtW Grants Program: Early Implementation of the Welfare-to-Work Grants Program: Findings From Exploratory Site Visits and Review of Program Plans**

Agency: ETA

Conducted by: Mathematica Policy Research, Inc., under sub-contract from the Urban Institute, for the U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation

Findings: (1) Many Welfare to Work programs place special emphasis on supported employment. (2) Job retention services are beginning to get increased attention in WtW programs. (3) In the first year of operations, WtW grantees spent considerable time on administrative and enrollment issues. (4) Potentially promising strategies are being developed and refined in some WtW grant programs. (5) About half of the WtW programs are attempting to focus on specific subgroups of the overall eligible population. (6) Local programs are accessing and using WtW grant funds in a variety of ways. (7) PICs and community-based organizations (CBOs) are the main local actors, but delivering WtW services involves complex institutional arrangements. (8) The delivery of services is highly decentralized.

Recommendations: This report provides information on the early design, operations, and implementation of the WtW grants program. As part of the descriptive assessment phase of the national evaluation, this report does not include formal recommendations. However, in presenting findings (above), the report does note that the complex and restrictive eligibility criteria in the WtW legislation as originally authorized initially slowed program implementation and limited enrollments. The report also notes that program implementation and participant enrollments were initially inhibited by the referral, recruitment, and other operational challenges posed by the new relationships WtW programs were required to establish with Temporary Assistance to Needy Families (TANF) programs. The report suggests, though, that WtW programs are developing promising strategies for outreach and recruitment, job retention, and improved coordination between the welfare and workforce development systems.

Action Taken: In November 1999, the Welfare-to-Work and Child Support Amendments of 1999 (the Amendments) were signed as part of the FY 2000 appropriations bill. The Amendments streamline participant eligibility; ensure that

WtW eligibility requirements accurately correspond to the targeted populations; and enable WtW grantees to more effectively serve long-term welfare recipients, other low-income custodial parents, and noncustodial parents of low-income children.

Additional information:

A copy of this report is available on the Internet at <http://aspe.hhs.gov/hsp/wtw-imp00/index.htm>.

2. The National Evaluation of the WtW Grants Program: Further Progress, Persistent Constraints -- Findings from a Second Survey of the Welfare-to-Work Grants Program

Agency: ETA

Conducted by: Mathematica Policy Research, Inc., under sub-contract from The Urban Institute, for the U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation.

Findings: There were four key findings: (1) WtW program implementation has advanced, but participation levels still lag; (2) The projected scale of WtW programs remains modest; (3) Grantees emphasize unsubsidized jobs but set realistic placement goals; and (4) Most placements to date have been in low-wage, service occupations.

Recommendations: This report is the second of two surveys conducted for the descriptive assessment phase of the National Evaluation of the WtW Grants

Program. As part of the descriptive assessment phase, this report does not include formal recommendations. However, in presenting the above findings, the report does note that the restrictive eligibility of the program as originally authorized, in addition to the shrinking pool of eligible Temporary Assistance to Needy Family (TANF) recipients, contributed to the slower than anticipated pace of WtW enrollments and placements. While the eligibility changes enacted by the WtW 1999 Amendments will continue to improve enrollment and placement numbers, the report suggests that grantees still need more time than the maximum three years currently allowed to spend all their funds.

Action Taken: Congress approved a proposal submitted during the FY 2001 budget approval process, to extend the period over which grantees may expend their WtW funds by two years. This extension enables all grantees to continue enrolling new participants longer and thus improve their chances of meeting WtW participation targets.

Additional Information:

A copy of this report is available on the Internet at <http://aspe.hhs.gov/hsp/wtw-2nd-survey00/index.htm>.

3. Mathematica Policy Research, Inc: Short-Term Impacts of Job Corps on Participants' Employment and Related Outcomes

Agency: ETA

Conducted by: Mathematica Policy Research , Inc.

Findings: The study compared a program group to a control group and found: (1) Job Corps substantially increased the education and training services that eligible applicants received, and it improved their educational attainment; (2) Job Corps generated positive employment and earnings impacts by the beginning of the third year after random assignment of comparison groups; (3) The residential and nonresidential programs were each effective for the youths they serve; (4) Job Corps significantly reduced youths' involvement with the criminal justice system; (5) Job Corps had a small beneficial impact on the receipt of public assistance and on self-assessed health status, but the data do not show an impact on illegal drug use, family formation or mobility; and (6) Positive impacts for 16- and 17-year-old youth are striking (earnings gains, educational achievement, reduced arrest rates, etc.).

Actions Taken: The above study of short-term impacts affirms Job Corps' current program strategies. Thus, no actions have been taken to modify our strategies based on these findings.

Additional Information: For additional copies of this report, please phone Dan Ryan at (202) 693-3649, e-mail him at dryan@doleta.gov, or send a request to the U.S. Department of Labor, Employment and Training Administration, Office of Policy and Research , Room

N5637, 200 Constitution Ave., N.W., Washington, D.C. 20210

4. MPR Associates, Inc.: School-to-Work Progress Measures -- A Report to the National School-to-Work Office

Agency: ETA

Conducted by: MPR Associates, Inc.

Findings: Each year, under the authority of Title IV, Section 402 of the School-to-Work Opportunities Act (STWOA) of 1994, the National School-to-Work Office (NSTWO) reports the results of a performance measurement survey of School-to-Work partnerships in implementation States.

Summary statistics for progress measures included in the survey's report indicate the degree to which schools, students, employers, and post-secondary institutions have engaged in specific activities associated with school-to-work. While progress measures cannot capture commonalities or differences within programs, analysis of changes in the aggregate over time can be used to pinpoint some of the issues that warrant attention as an increasing number of States attempt to sustain school-to-work systems with little or no STWOA funding.

Of the 50 States, District of Columbia, and the territories of Puerto Rico and Palau, 48 States and the two territories had completed a full year of implementation as of June 30, 1999, and were asked to participate in

the survey. Conducted on a voluntary basis, a total of 40 states and two territories agreed to participate. These 40 States and two territories comprise a total of 1258 partnerships; 976 of these 1258 partnerships (78 percent) completed Progress Measures Surveys.

Actions Taken: The National School-to-Work Office is continuing to work with program partners to promote efforts to sustain the school-to-work efforts.

Additional Information: A copy of the report may be obtained from the National School-to-Work Office, 400 Virginia Avenue, S.W., Room 210, Washington, D.C., 20024, or by calling (202) 401-6222. Information may also be obtained from the School-to-Work website at <http://www.stw.ed.gov>.

5. **Audit Follow-up Review of BLS Information Security (July 2000)**

Agency: BLS

Conducted by: Office of Inspector General (OIG)

Findings: The follow-up report focused primarily on the security of the most sensitive BLS pre-release economic series data. The OIG found that BLS management controls have been greatly strengthened to improve the security of BLS data.

Recommendation(s): A complete list of recommendations may be found in the OIG follow-up report.

Actions Taken: All but two of the original 41 recommendations have been closed. The remaining recommendations, plus an additional recommendation made in the follow-up review, should be closed in the second quarter of FY 2001.

Additional Information: A copy of the final evaluation may be obtained from the Bureau of Labor Statistics, Division of Management Systems, Room 3255, 2 Massachusetts Avenue, NE, Washington, DC 20212, or by calling 202-691-7628.

6. **Enforcement and Training Programs**

Agency: PWBA

Conducted by: Office of Inspector General (OIG)

Findings: (1) The enforcement program training is effective. (2) The training initiatives to provide and maintain a level of proficiency for its investigators and auditors are appropriate for the enforcement of the Employee Retirement Income Security Act of 1974 (ERISA).

Recommendations:

(1) Ensure that new employee training/mentoring programs are available for new investigators and update the self-study guides; (2) Conduct an employee survey of training needs; (3) Based on survey results, prioritize training needs; (4) Review the Financial Institutions course for applicability, content, and timing; and (5) Maintain, by Region, a roster of individuals available for

Federal Law Enforcement Training Center courses.

Actions Taken: (1) The PWBA Regional Leadership Team has submitted their proposal for addressing the needs of a baseline, new employee orientation/mentoring program. Their report is currently being considered by the National Office Executive Management team. With respect to the self-study guides, PWBA has received an updated Volume I from the Wharton School of Business and is reviewing their submission. In addition, PWBA is conducting an internal review of Volume II for updating, as necessary. (2) PWBA formed an ad hoc committee to select a contractor to provide professional assistance in conducting a survey of training needs. The committee is currently evaluating prospective contractors to perform the work. (3) The Financial Institutions class has been suspended pending review by an ad hoc committee to address applicability, content, and timeliness. PWBA anticipates this team forming in the very near future. (5) Each Regional office now maintains a roster of employees available to attend Federal Law Enforcement Training Center courses.

Additional Information: A copy of the complete report can be obtained from the Pension and Welfare Benefits Administration, 200 Constitution Avenue, N.W., Room N-5668 Washington, D.C., 20210. Please specify report # 2E-12-121-0001, "Review of PWBA's Enforcement and Training Programs."

7. **Timely Issuance of Initial Determination Letters (March 1999), and the Update (March 2000)**

Agency: PBGC

Conducted by: PBGC's Office of the Inspector General

Findings: PBGC's Inspector General issued an evaluation report in March 1999 and an update in March 2000 focusing on the agency's progress in reducing case processing times and raising concerns about the timely issuance of benefit determinations to individual participants.

Recommendations: The Inspector General suggested that PBGC review its processing controls for the data needed to measure the timely issuance of benefit determinations, and periodically report the results in detail.

Actions Taken: Due to the sizeable increase in PBGC's participant workload in the early 1990's, combined with cases carried over from earlier years, in 1993 PBGC faced significant backlogs in issuing participant benefit determinations. In response, beginning in 1994 the agency reorganized its case processing operations and modernized the data processing systems that support case processing. In response to the Office of the Inspector General's reports, PBGC's management agreed that continued improvement was essential and noted that further progress was being made in accordance with the agency's goals as publicly reported pursuant to the

Government Performance and Results Act. While the agency is now completing work on the last of its backlog, it is now processing newly trustee plans within three years, which is as rapidly as they can be completed under the provisions of current law.

Additional Information: Contact PBGC's Communications and Public Affairs Department, 1200 K Street, NW, Washington, DC, 20006, or telephone (202) 326-4040.

8. **OIG Audit of Dislocated Worker Program**

Agency: ETA

Conducted by: Office of Inspector General (OIG)

Findings: (1) Programs were not predominantly serving persons who were victims of plant closings or mass layoffs; (2) 35 percent of program participants were ineligible or documentation was insufficient to establish their eligibility; and (3) The standard allocation formula, which is based on various unemployment measures rather than on the number of dislocated workers in an area, may not distribute dislocated worker funds where they are most needed. Where funds were allocated to localities with relatively few dislocated workers, OIG found that some entities relaxed the eligibility criteria to spend the available funds.

Recommendations: (1) Ensure adequate guidance is provided to States so that the files of participants who are certified for

intensive services under the Workforce Investment Act (WIA) contain adequate information to qualify them as dislocated workers; (2) Determine if a more equitable method of allocating dislocated worker funds can be devised which would result in funds being distributed to areas where the most dislocated workers reside; and (3) Complete a periodic, comprehensive quality review and oversight of data entered into participant information systems to ensure placements are valid and data are entered in accordance with program guidance and are otherwise accurate and complete.

Actions Taken: The Department has responded that the OIG's report does not adequately consider the authority vested in State and local governments and the need for flexibility in addressing local labor-market conditions. ETA believes State and local flexibility in establishing criteria for eligibility determination is key to an effective program. A number of actions are being taken to address the issues raised in the report: (1) ETA plans to increase dislocated worker program technical assistance and monitoring activities and is developing a technical assistance guide, with appropriate partners, to ensure that State/local programs adequately document participants' eligibility; (2) ETA is reviewing the current formula for determining allocation of dislocated worker funds, considering the implications of various other formulas; (3) A contractor has been engaged to design, develop, and implement

a data validation system to ensure that data for the dislocated worker program, and other programs under WIA, are accurate. Under WIA, ETA will be using Unemployment Insurance wage record data which will also help reduce data errors that were identified in the OIG's audit.

9. GAO Audit of Trade Adjustment Assistance: Trends, Outcomes, and Management Issues in Dislocated Worker Programs

Agency: ETA

Conducted by: General Accounting Office (GAO)

Findings: There were three primary results:— (1) Differences in the TAA and NAFTA-TAA programs' statutory requirements governing certification and training enrollment complicate program administration and prevent some workers from entering suitable training; (2) The absence of a statutory time limit on training in TAA and some other benefits means that workers may collect benefits many years after being certified as trade impacted; (3) Internal control weaknesses may result in workers getting benefits that they are not eligible to receive.

Recommendations: GAO recommends that Congress consider standardizing the time frames for workers to enter training, the training waiver policies for certified workers, and the time frames for completing certification

investigations. GAO recommends the Secretary of Labor establish the following: (1) An effective performance measurement system to track participant outcomes and disseminate the information to States and localities so they can better serve participants; (2) Procedures that will enable the Department to certify workers for TAA and NAFTA-TAA within required time frames; and (3) More effective internal controls and oversight regarding benefit payments in order to prevent workers ineligible for benefits from receiving them.

Action Taken: The Department has implemented the following changes, which address the GAO's recommendations: (1) The TAA's data reporting system is being redesigned to closely match the new Workforce Investment Act Standard Record Data (WIASRD) system; (2) DOL has put in place several new petition processing procedures designed to make the investigation and determination process more timely; (3) DOL is reviewing data to address any incorrectly denied certification petitions and identify ineligible recipients so that States may begin the fund recovery process. and, (4) DOL is also developing a detailed manual for States and localities to use regarding data reporting.

Additional Information: A copy of this report is available from the Government Printing Office (GPO) Internet site: http://www.access.gpo.gov/su_docs/aces/aces160.shtml.

10. OSHA Data Initiative Collection Quality Control: Analysis of Audits on 1998 Employer Injury and Illness Recordkeeping (September 29, 2000)

Agency: OSHA

Findings: The estimates of overall accuracy for total recordable and lost workday cases suggest that employer reports of injuries and illnesses as required by the OSHA recordkeeping regulation, 29 CFR 1904, and collected by the OSHA Data Initiative, provide reasonable and accurate data that OSHA can use to help meet its program data needs.

Recommendations: OSHA should continue to conduct studies of this type. OSHA should use the results to implement improvements to recordkeeping.

Action Taken: OSHA will continue the Audit and Verification Program of Occupational Injury and Illness Records and implement the recommendations to improve the audit process that are contained in the analysis of the audit results.

Additional Information: A copy of the report can be obtained from the Occupational Safety and Health Administration, 200 Constitution Ave. NW, Washington, DC 20210, or by calling 202-693-2000.

11. Evaluation of Program Implementation- ILAB's Child Labor Projects FYs1995-2000 (September 28, 2000)

Agency: ILAB

Conducted by: Office of Inspector General (OIG)

Findings: The OIG reviewed Child Labor Projects that were implemented FY1995-2000. Overall the implementation of projects was determined to be effective.

Recommendations: In order to further increase ILAB's effectiveness in carrying out its programs the OIG recommended that ILAB: (1) Adopt a two stage funding process; (2) Ensure that specific project goals, objectives and indicators are developed and included for each project proposal; (3) Ensure that project inspection allegations are thoroughly investigated, followed up and documented; (4) Obtain written agreements from project partners regarding sustainability and capacity building; and (5) Establish an operations manual for staff use.

Agency Action: ILAB has addressed the findings and all the recommendations have been resolved and closed.

Additional Information: The report can be obtained from the International Labor Affairs Bureau 200 Constitution Ave. NW, Washington, DC 20210, or by calling 202-219-6242.